

COUNTY GOVERNMENT OF ELGEYO MARAKWET

**COUNTY EXECUTIVE
REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

**Prepared in accordance with the Cash Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)**

ELGEYO MARAKWET COUNTY EXECUTIVE
Reports and Financial Statements
For the year ended June 30, 2018

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The County is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

The *County Government of Elgeyo Marakwet* day-to-day management is under the following key organs:

- Governor
- Deputy Governor
- Speaker to County Assembly
- County Secretary
- CEC Member –Finance and Economic planning
- CEC Member -Health
- CEC Member –Agriculture, Livestock, Fisheries & Marketing
- CEC Member –Sports, Gender & Youth affairs
- CEC Member –Industrialization, Commerce & Tourism
- CEC Member –Environment, Water & Natural Resources
- CEC Member –Roads ,Public Works and Transport
- CEC Member – Education and
- CEC Member – ICT and Public Service
- County Public Service Board

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	-Jeremiah Changwony
2.	Director of Accounting Services	-JohnKeen Murkeu
3.	Director of Budget & Economic planning	-John Maritim
4.	Director of Supply Chain	-Robert Chelagat
5.	Director of Revenue	-Judith Adero

d) Fiduciary Oversight Arrangements

- The County has Internal Audit department responsible for ensuring proper recording of all books of Account.
- The Controller of Budget approves Exchequers requisitions in line with the Approved Budget

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- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee
- Parliamentary committee activities
- Development partner oversight activities
- Other oversight activities

e) County Government Headquarters

P.O. Box 220-30700
Elgeyo Marakwet County Building
Iten

f) County Government Contacts

Telephone: 053-4142277
E-mail: elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

g) County Government Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
P.O Box 456-30700
Iten
3. Family Bank
P.O.Box 7415-00200
Nairobi
4. Trans National Bank
P.O.Box 34353-00200
Nairobi

h) Independent Auditors

Auditor General
Kenya National Audit Office

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Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

i) Principal Legal Adviser

The County Attorney
P.O. Box 220-30700
Iten, Kenya

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2. FORWARD BY THE CEC

The financial statements for County Government of Elgeyo Marakwet for the FY 2017/18 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government of Elgeyo Marakwet operated on a Revenue Ceiling of Sh.4,944,687,669 during the FY 2017/2018 consisting of the following:

• Equitable Share allocation	-	Sh.3,624,000,000
• Local Revenue	-	Sh.160,291,113
• Balance B/f Roll over funds	-	Sh.599,460,143
• Other loans & grants	-	Sh.18,956,694
• World Bank -RBF	-	Sh.47,990,000
• World Bank – RBF b/f	-	Sh.56,932,570
• HSSF DANIDA-Universal Health care	-	Sh.9,442,456
• User fees foregone	-	Sh.8,788,919
• Lease of Medical Equipment	-	Sh.95,744,681
• Roads Maintenance Levy Funds	-	Sh.139,343,420
• World Bank Grants-Transforming Health systems	-	Sh.30,279,354
• World Bank Grants-Dev. of youth polytechnics	-	Sh.37,641,245
• Re-imburement of Health service allowance	-	Sh.79,812,000
• World Bank –KDSP	-	Sh.36,005,074

The actual receipts realized by the County government during the year amounted sh. 4,636,232,021 comprising of :

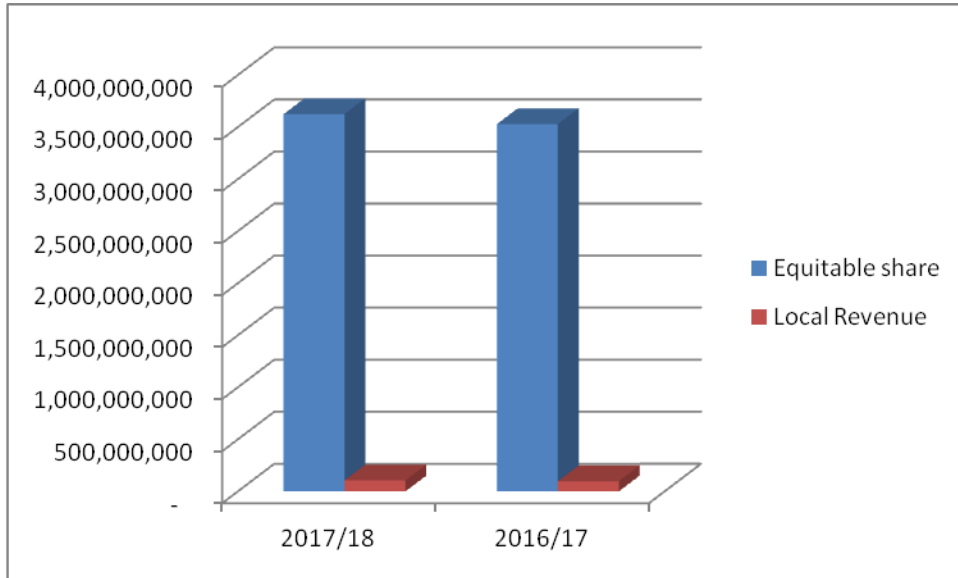
• Allocation from CRA	-	Sh.3,624,000,000
• Local Revenue	-	Sh.105,493,350
• Balance B/f -Roll over funds	-	Sh.599,460,143
• Other loans & grants	-	Sh.0.00
• World Bank -RBF	-	Sh.0.00
• World Bank – RBF b/f	-	Sh.56,932,570
• HSSF DANIDA-Universal Health care	-	Sh.9,442,456
• User fees foregone	-	Sh.8,956,070
• Lease of Medical Equipment	-	Sh.0.00
• Roads Maintenance Levy Funds	-	Sh.139,343,417
• World Bank Grants-Transforming Health systems	-	Sh.18,056,694
• World Bank Grants-Dev. of youth polytechnics	-	Sh.37,641,245
• Re-imburement of Health Service allowance	-	Sh.0.00
• Danida Funds- **2018/19	-	Sh.5,193,351
• World Bank –KDSP	-	Sh.36,005,074

During the year, the County Government realized total receipts amounted to Kshs.4,036,759,754 against an approved budget of Kshs 4,944,687,669 representing 82% achievement. The actual local revenues amounted to Kshs 105,493,350 against a budgeted target of Kshs 160,291,113.

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This shortfall is largely attributed to tax evasion and avoidance and significant fluctuations in major revenue sources due to changes in the economic environment.

The growth in Equitable share allocation and local revenue received in the FY 2017/18 compared to FY 2016/2017 is depicted in the following graph:



The total cumulative expenditure amounted to Kshs **3,928,050,192** against an approved budget of Kshs **4,944,687,669**, representing 80% of total expenditure against the total budget. The absorption rate for recurrent expenditures and Development Expenditure stood at 82% and 50% respectively.

The Retention monies held in Trust amounting to Sh.71,281,332 has been recognized under Accounts payable (Note 23 of the financial statements)

In conclusion, the financial statements for County Government of Elgeyo Marakwet for the year ended 30th June, 2018 reflect the true and fair view.

.....
 Hon. Isaac Kipchirchir Kamar
CEC-Finance & Economic Planning
County Government of Elgeyo Marakwet

3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2018, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on **25th September, 2018**.

County Executive Committee Member – Finance & Economic Planning

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4. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name)

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5. FINANCIAL STATEMENTS

5.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR PERIOD ENDED 30TH JUNE 2018

		2017-2018	2016-2017
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases	1	3,624,000,000	3,528,847,275
Proceeds from Domestic and Foreign Grants	2	158,978,039	10,400,000
Transfers from Other Government Entities	3	148,299,489	54,220,715
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	132,665,570
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	105,482,226	97,323,973
Returned CRF issues	10	-	-
TOTAL RECEIPTS		4,036,759,754	3,823,457,533
PAYMENTS			
Compensation of Employees	11	2,069,788,786	1,786,331,042
Use of goods and services	12	292,458,171	372,231,546
Subsidies	13	-	-
Transfers to Other Government Units	14	483,780,305	493,026,876
Other grants and transfers	15	241,350,000	209,362,076
Social Security Benefits	16	-	-
Acquisition of Assets	17	733,229,110	985,018,188
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	107,443,821	153,711,122
TOTAL PAYMENTS		3,928,050,192	3,999,680,848
SURPLUS/DEFICIT		108,709,562	- 176,223,315

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **25th September 2018** and signed by:

 Chief Officer
 Name: Jeremiah Changwony
 ICPAK Member Number: 9731

 Head of Treasury
 Name: John Keen Murkeu
 ICPAK Member Number:8112

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5.2. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2018

		2017-2018	2016-2017
	Notes	KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	875,021,573	732,518,975
Cash Balances	21B	-	1,124,480
		875,021,573	733,643,455
Total Cash and cash equivalent			
Accounts receivables – Outstanding Imprests	22	4,490,998	19,918,670
TOTAL FINANCIAL ASSETS		879,512,571	753,562,125
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	71,281,332	54,040,448
NET FINANCIAL ASSETS		808,231,238	699,521,677
REPRESENTED BY			
Fund balance b/fwd	24	699,521,677	875,744,992
Prior year adjustments	25		
Surplus/Deficit for the year		108,709,562	- 176,223,315
		-	-
NET FINANCIAL POSITION		808,231,238	699,521,677

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **25th September 2018** and signed by:

 Chief Officer
 Name: Jeremiah Changwony
 ICPAK Member Number: 9731

 Head of Treasury
 Name: John Keen Murkeu
 ICPAK Member Number:8112

ELGEYO MARAKWET COUNTY EXECUTIVE
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5.3. STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2018

		2017-2018	2016 - 2017
	Notes	KShs	KShs
Receipts from operating income			
Exchequer Releases	1	3,624,000,000	3,528,847,275
Proceeds from Domestic and Foreign Grants	2	158,978,039	10,400,000
Transfers from Other Government Entities	3	148,299,489	54,220,715
Reimbursements and Refunds	7	-	132,665,570
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	105,482,226	97,323,973
Returned CRF issues	10	-	-
Payments for operating expenses		4,036,759,754	3,823,457,533
Compensation of Employees	11	2,069,788,786	1,786,331,042
Use of goods and services	12	292,458,171	372,231,546
Subsidies	13	-	-
Transfers to Other Government Units	14	483,780,305	493,026,873
Other grants and transfers	15	241,350,000	209,362,076
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	107,443,821	153,711,122
Adjusted for:			
Adjustments during the year		-	31,154,379
Net cash flow from operating activities		841,938,672	839,949,250
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6		
Acquisition of Assets	17	-733,229,110	-985,018,188
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		108,709,562	- 145,069,939
Cash and cash equivalent at BEGINNING of the year	21	699,521,677	844,590,615
Cash and cash equivalent at END of the year	24	808,231,238	699,521,677

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For the year ended June 30, 2018

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **25th September 2018** and signed by:

Chief Officer
Name: Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury
Name: John Keen Murkeu
ICPAK Member Number: 8112

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**5.4. SUMMARY STATEMENT OF APPROPRIATION AS AT 30TH JUNE 2018: RECURRENT AND DEVELOPMENT
COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,619,547,538	4,452,462	3,624,000,000	3,624,000,000	-	100
Proceeds from Domestic and Foreign Grants	121,917,669	290,886,405	412,804,074	158,978,039	253,826,035	39
Transfers from Other Government Entities	95,287,500	52,844,839	148,132,339	148,299,489	-167,150	100
Proceeds from Domestic Borrowings	-	-	-	-	-	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	0%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Reimbursements and Refunds	-	-	-	-	-	0%
Returns of Equity Holdings	-	-	-	-	-	0%
County Own Generated receipts	160,291,113	-	160,291,113	105,482,226	54,808,887	66
Return issues to CRF	-	599,460,143.00	599,460,143	-		0
TOTAL	3,997,043,818	947,643,849	4,944,687,669	4,036,759,754	308,467,772	82
PAYMENTS						
Compensation of Employees	1,122,139,898	949,416,517	2,071,556,415	2,069,788,786	1,767,629	100
Use of goods and services	92,261,746	239,847,133	332,108,879	292,458,171	39,650,708	88
Subsidies	-	-	-	-	-	0
Transfers to Other Government Units	472,793,495	12,487,426	485,280,921	483,780,305	1,500,616.00	0%
Other grants and transfers	228,110,328	90,932,570	319,042,898	241,350,000	77,692,898	76
Social Security Benefits	-	-	-	-	-	0%
Acquisition of Assets	1,925,925,030	-345,039,797	1,580,885,233	733,229,110	847,656,123	46
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on borrowings	-	-	-	-	-	0%

ELGEYO MARAKWET COUNTY EXECUTIVE

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other Payments	155,813,323.00	-	155,813,323	107,443,821	48,369,502	69
TOTAL	3,997,043,818	947,643,849	4,944,687,669	3,928,050,193	1,016,637,476	79
SURPLUS/(DEFICIT)	-	-	-	108,709,561	-708,169,704	

The overall expenditure during the period was 80%.Utilization of funds was above 50%

The entity financial statements were approved on _____ 2018 and signed by:

 Chief Officer
 Name: Jeremiah Changwony
 ICPAK Member Number: 9731

 Head of Treasury
 Name: John Keen Murkeu
 ICPAK Member Number: 8112

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5.5. SUMMARY STATEMENT OF APPROPRIATION AS AT 30TH JUNE 2018: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	2,475,488,339	-	2,475,488,339	2,298,181,859	177,306,480	93
Proceeds from Domestic and Foreign Grants	-	115,817,074	115,817,074	36,005,074	79,812,000	31
Transfers from Other Government Entities	-	-	-	-	-	-
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds		-	-	-	-	-
Returns of Equity Holdings						
County Own Generated receipts	160,291,113	-	160,291,113	105,482,226	54,808,887	66
Return CRF issues	-	255,325,433.00	255,325,433	-	-	-
TOTAL	2,635,779,452	371,142,507	3,006,921,959	2,439,669,159	567,252,800	81
PAYMENTS						
Compensation of Employees	1,122,139,898	949,416,517	2,071,556,415	2,069,788,786	1,767,629	100
Use of goods and services	92,261,746	239,847,133	332,108,879	292,458,171	39,650,708	88
Subsidies			-	-	-	0
Transfers to Other Government Units	472,793,495	-	472,793,495	472,419,704	-	100
Other grants and transfers	37,000,000	90,932,570	127,932,570	119,575,536	8,357,034	93
Social Security Benefits			-	-	-	-
Acquisition of Assets	911,584,313	-909,053,713	2,530,600	2,396,700	133,900	95
Finance Costs, including Loan Interest			-	-	-	-
Repayment of principal on			-	-	-	-

ELGEYO MARAKWET COUNTY EXECUTIVE

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
borrowings						
Other Payments	-	-	-	-	-	-
TOTAL	2,635,779,452	371,142,507	3,006,921,959	2,455,041,006	551,880,953	82
SURPLUS/(DEFICIT)	-	-	-	-15,371,847	15,371,847	

The recurrent expenditure during the period was 82%.Utilization of funds was above 50%

The entity financial statements were approved on **25th September, 2018** and signed by:

Chief Officer
Name: Jeremiah Changwony
ICPAK Member Number: 9731

Head of Treasury
Name: JohnKeen Murkeu
ICPAK Member Number: 8112

ELGEYO MARAKWET COUNTY EXECUTIVE
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5.6. SUMMARY STATEMENT OF APPROPRIATION AS AT 30TH JUNE 2108: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,144,059,199	4,452,462	1,148,511,661	1,325,818,141	(177,306,480)	115%
Proceeds from Domestic and Foreign Grants	121,917,669	175,069,331	296,987,000	122,972,965	174,014,035	41%
Transfers from Other Government Entities	95,287,500	52,844,839	148,132,339	148,299,489	(167,150)	100%
Proceeds from Domestic Borrowings	-	-	-	-	-	-
Proceeds from Foreign Borrowings	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Reimbursements and Refunds	-	-	-	-	-	-
Returns of Equity Holdings	-	-	-	-	-	-
County Own Generated receipts	-	344,134,710	344,134,710	-	344,134,710	-
TOTAL	1,361,264,368	576,501,342	1,937,765,710	1,597,090,595	340,675,115	82%
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	-	12,487,426	12,487,426	11,360,601.00	1,126,825	91%
Other grants and transfers	191,110,328	-	191,110,328	121,774,464	69,335,864	64%
Social Security Benefits						0%
Acquisition of Assets	1,014,340,717	564,013,916	1,578,354,633	730,832,410	847,522,223	46%
Finance Costs, including Loan Interest	-	-	-	-	-	0%
Repayment of principal on borrowings	-	-	-	-	-	0%
Other Payments	155,813,323	-	155,813,323	107,443,821	48,369,502	69%
TOTALS	1,361,264,368	576,501,342.00	1,937,765,710	971,411,296	966,354,414	50%

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
SURPLUS/(DEFICIT)	-	-	-	625,679,299	-625,679,299	

The development expenditure during the period was 50%.

The entity financial statements were approved on _____ 2018 and signed by:

 Chief Officer
 Name: Jeremiah Changwony
 ICPAK Member Number: 9731

 Head of Treasury
 Name: John Keen Murkeu
 ICPAK Member Number: 8112

:

5.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	20xx		20xx	Date, 20xx	
	KShs	KShs	KShs	KShs	KShs
Programme 1					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					
Programme 2					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					

5.8. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the County Government of Elgeyo Marakwet County Executive. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Government recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2018, this amounted to KShs.71,281,332 compared to KShs 54,040,448 in prior period as indicated on note 23

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

8. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *County Government of Elgeyo Marakwet* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on **30th March, 2017** for the period 1st July 2017 to 30 June 2018 as required by law. There was one number of supplementary budgets passed in the year. A high-level assessment of the *County Government* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

12. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

13. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

14. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

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5.9. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

	2017 - 2018	2016 - 2017
	KShs	KShs
Total Exchequer Releases for quarter 1	-	599,904,037
Total Exchequer Releases for quarter 2	507,360,000	582,259,800
Total Exchequer Releases for quarter 3	1,346,635,566	882,211,819
Total Exchequer Releases for quarter 4	1,770,004,434	1,464,471,619
Total	3,624,000,000	3,528,847,275

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2017 - 2018	2016 - 2017
			KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)				
HSSF DANIDA		Ksh	5,193,351	10,400,000
HSSF DANIDA-Universal Healthcare	-	Ksh	9,442,456	
Grants Received from Multilateral Donors (International Organisations)	-		-	
World Bank Grants-RBF	-	Ksh	56,932,570	
World Bank Grants-Village polytechnics	-	Ksh	37,641,245	
Grants Received from other levels of government	-			
World Bank -KDSP	-	Ksh	36,005,074	
World Bank Grants-Transforming Health Systems	-	Ksh	13,763,343	
Total			158,978,039	10,400,000

ELGEYO MARAKWET COUNTY EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Transfers from Central government entities-User fees foregone	8,956,070	-
(insert name of budget agency)	-	-
(insert name of budget agency)	-	-
	-	-
Transfers from Counties	-	-
Kenya Roads Board-RMLF	139,343,419	54,220,715
(insert name of budget agency)		
TOTAL	148,299,489	54,220,715

4. PROCEEDS FROM DOMESTIC BORROWINGS

	2017 - 2018	2016 - 2017
	KShs	KShs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Total	-	-

ELGEYO MARAKWET COUNTY EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROCEEDS FROM FOREIGN BORROWINGS

	2017 - 2018	2016 – 2017
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

6. PROCEEDS FROM SALE OF ASSETS

	2017 – 2018	2016 – 2017
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

7. REIMBURSEMENTS AND REFUNDS

	2017 - 2018	2016 – 2017
	KShs	KShs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals & Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RETURNS OF EQUITY HOLDINGS

	2017 - 2018	2016 – 2017
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
	-	-
Total	-	-

9. COUNTY OWN GENERATED RECEIPTS

	2017 - 2018	2016 – 2017
	KShs	KShs
Interest Received	-	-
Profits and Dividends	-	-
Rents	1,164,392	1,769,735
Other Property Income	-	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	4,242,005	6,255,298
Receipts from Administrative Fees and Charges - Collected as AIA	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	-	-
Fines Penalties and Forfeitures	530,660	432,837
Receipts from Voluntary transfers other than grants	-	-
Business permits	11,345,555	9,930,050
Cess	20,200,325	25,684,755
Poll rates	-	-
Plot rents	2,659,808	2,486,912
Other local levies	1,793,245	-
Administrative services fees	-	-
Various fees	-	-
Council's natural resources	-	-
Exploitation	-	-
Sales of council assets	-	-
Lease / rental of council's	-	-
Infrastructure assets	-	-

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Other miscellaneous receipts	17,882,484	3,482,097
Insurance claims recovery	-	3,126,180
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr repayment)	-	-
Transfers from reserve funds	-	-
Donations	-	-
Fund raising events	-	-
Other receipts from financial assets loan	-	-
Market/trade centre fee	4,940,737	5,933,515
Vehicle parking fees	3,157,990	3,610,700
Housing	-	-
Social premises use charges	-	-
School fees	-	-
Other education-related	-	-
Other education receipts	-	-
Public health services	2,022,860	2,373,220
Public health facilities operations -FIF	32,728,335	29,893,184
Environment & conservancy	871,340	177,250
Slaughter houses administration	1,331,190	1,465,040
Water supply administration	611,300	703,200
Sewerage administration	-	-
Other health & sanitation	-	-
Technical services fees	-	-
External services fees	-	-
	105,482,226	97,323,973

10. RETURNED CRF ISSUES

	2017 – 2018	2016 – 2017
	KShs	KShs
Recurrent account	-	-
Development account	-	-
Deposit account	-	-
Total	-	-

ELGEYO MARAKWET COUNTY EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. COMPENSATION OF EMPLOYEES

	2017 – 2018	2016 – 2017
	KShs	KShs
Basic salaries of permanent employees	1,991,281,576	1,722,536,398
Basic wages of temporary employees	-	
Personal allowances paid as part of salary	-	
Personal allowances paid as reimbursements	-	
Personal allowances provided in kind	-	
Pension and other social security contributions-LAPTRUST	7,698,554	6,181,273
Compulsory national social security schemes-NSSF	6,582,000	4,707,600
Compulsory national health insurance schemes	-	
LAPFUND contributions	45,537,002	35,267,671
Other personnel payments –GRATUITY	18,689,653	17,638,101
Total	2,069,788,786	1,786,331,042

12. USE OF GOODS AND SERVICES

	2017 – 2018	2016 – 2017
	KShs	KShs
Utilities, supplies and services	7,078,779	9,854,396
Communication, supplies and services	6,377,305	9,667,360
Domestic travel and subsistence	24,287,851	30,782,768
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	6,447,431	11,632,721
Rentals of produced assets	4,335,000	4,058,109
Training expenses	23,982,213	7,097,672
Hospitality supplies and services	4,320,991	12,292,240
Insurance costs	10,846,145	13,565,457
Specialized materials and services	90,068,243	132,787,052
Office and general supplies and services	4,929,038	10,041,164
Other operating expenses	82,765,464	75,341,577
Routine maintenance – vehicles and other transport equipment	7,252,928	10,653,548
Routine maintenance – other assets	1,590,244	19,314,162
Fuel & Lubricants	18,246,539	25,143,320
Total	292,528,171	372,231,546

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. SUBSIDIES

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Subsidies to Public Corporations		
<i>See list attached</i>	-	-
(insert name)	-	-
	-	-
Subsidies to Private Enterprises		
<i>See list attached</i>	-	-
(insert name)	-	-
	-	-
TOTAL	-	-

14. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 – 2017
	KShs	KShs
Transfers to Central government entities		
<i>See attached list</i>	-	-
	-	-
Transfers to Other Counties –County Assembly	483,780,305	469,026,875
(insert name of budget agency)	-	-
Transfer to Car & Mortgage Fund	-	24,000,000
TOTAL	483,780,305	493,026,875

15. OTHER GRANTS AND OTHER PAYMENTS

	2017 - 2018	2016 – 2017
	KShs	KShs
Scholarships and other educational benefits	30,000,000	40,111,141
Emergency relief and refugee assistance	-	-
Free maternity disbursement- Health	87,623,357	98,269,060
World Bank Grants- RBF Health	54,487,986	-
HSSF DANIDA Funds disbursement- Universal Health care	9,215,800	-
DANIDA Funds disbursement- Transforming Health Systems	13,763,343	-
User fees charges foregone	8,171,964	9,079,641
Other transfers FIF	38,017,550	33,543,332
Donations	-	28,358,902
Total	241,350,000	209,362,076

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SOCIAL SECURITY BENEFITS

	2017 - 2018	2016 - 2017
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

17. ACQUISITION OF ASSETS

Non Financial Assets	2017 - 2018	2016 - 2017
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	227,571,349	258,590,001
Refurbishment of Buildings	-	-
Construction of Roads	-	-
Construction and Civil Works	463,750,737	623,649,586
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	14,191,210
Overhaul of Vehicles and Other Transport Equipment	-	328,048
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	6,036,284	60,849,471
Purchase of ICT Equipment	1,754,856	-
Purchase of Specialized Plant, Equipment and Machinery	10,074,618	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	3,618,442	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	20,422,824	25,418,774
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	1,991,098
Acquisition of Intangible Assets	-	-
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total	733,229,110	985,018,188

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FINANCE COSTS, INCLUDING LOAN INTEREST

	2017 - 2018	2016 – 2017
	KShs	KShs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
Total	-	-

19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2017 - 2018	2016 – 2017
	KShs	KShs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
	-	-
Total	-	-

20. OTHER PAYMENTS

	2017 - 2018	2016 – 2017
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	107,443,335	153,711,122
Total	107,443,335	153,711,122

ELGEYO MARAKWET COUNTY EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CASH AND BANK BALANCES

21A. BANK BALANCES

Name of Bank, Account No. & currency	Amount in bank account currency *	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2017 – 2018	2016 – 2017
				KShs	KShs
CBK, Dev.Account-A/c no. 100017391		Development		19,249,808	13,549,528
CBK, Recc. Account no.1000171421		Recurrent		28,697,557	11,536
CBK, County Revenue Fund 100017172		CRF		621,306,658	535,216,508
KCB, Standing Imprest A/c no.1140794779				166,904	-
KCB ,County Revenue Collection A/c no. 1140751360				66,226	172,064
TNB ,County Revenue Collection A/c no. 183290				2,214,302	-
Paybill Account -MPESA				823,059	-
CBK Road Maint Levy - Account no.1000253948				101,974,980	88,549,350
Marakwet West -A/c 114707096				-	425
CBK Maternal Health-Account no.1000287748				1,009,812	40,979,116
CBK deposit A/c no.				71,281,332	54,040,448
CBK, EMC Village poly. projects Fund Account no.1000367946				28,230,933	-
CBK, KCSAP Account no.1000364831				-	-
CBK,ASDSP Account no.10004847				-	-
CBK,EMC Urb.(KUSP) Account no.1000372238				-	-
Total				875,021,573	732,518,975

*Amount is as per amount in the cash book.

ELGEYO MARAKWET COUNTY EXECUTIVE
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21B. CASH IN HAND

	2017 – 2018	2016 – 2017
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	1,124,480
Total	-	1,124,480

Cash in hand should also be analysed as follows:

	2017 – 2018	2016 – 2017
	KShs	KShs
Location 1	-	1,124,480
Location 2	-	-
Location 3	-	-
Total	-	1,124,480

ELGEYO MARAKWET COUNTY EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2017 – 2018	2016 – 2017
	KShs	KShs
Government Imprests –County Executive	4,490,998	19,918,670
Clearance accounts –County Assembly	-	-
Total	4,490,998	19,918,670

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		KShs	KShs	KShs
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total		-	-	-

23. ACCOUNTS PAYABLE

	2017 – 2018	2016 – 2017
	KShs	KShs
Deposits	71,281,332	54,040,448
Total	71,281,332	54,040,448

24. FUND BALANCE BROUGHT FORWARD

	2017 – 2018	2016 – 2017
	KShs	KShs
Bank accounts	699,521,677	875,744,992
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
Total	699,521,677	875,744,992

ELGEYO MARAKWET COUNTY EXECUTIVE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PRIOR YEAR ADJUSTMENTS

Description of the error	2017 – 2018	2016 – 2017
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (<i>specify</i>)	-	-
	-	-

5.10. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017 – 2018	2016 – 2017
	KShs	KShs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

2. PENDING STAFF PAYABLES (See Annex 2)

	2017 – 2018	2016 – 2017
	KShs	KShs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-

3. OTHER PENDING PAYABLES (See Annex 3)

	2017 – 2018	2016 – 2017
	KShs	KShs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others (<i>specify</i>)	-	-
	-	-

4. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;

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- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions

	2017- 2018	2016- 2017
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	-	-
	-	-
<u>Transfers to related parties</u>	-	-
Transfer to the County Assembly	483,780,305	-
Transfers to other County Government Entities	-	-
Transfers to Development Projects	-	-
Transfers to non reporting entities e.g schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
Total Transfers to related parties	-	-
	-	-
<u>Transfers from related parties</u>	-	-
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

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5. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and resolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established	Location	Accounting Officer responsible
County Executive Car & Mortgage Revolving Fund	2015	H/Quarters	Jeremiah Changwony
County Education Bursary Fund	2015	H/Quarters	Boaz Changach
Alcoholic Drinks Control Fund	2015	H/Quarters	Joshua Cherop

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6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

CEC, County Treasury

Sign.....

Date.....

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ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Period	Equitable Share	DANIDA	Level 5 hospitals allocation	Total Transfers from the National Treasury
Exchequer Releases for quarter 1	-	-	-	56,932,570
Exchequer Releases for quarter 2	507,360,000	-	-	23,205,799
Exchequer Releases for quarter 3	1,346,635,566	4,478,035	-	-
Exchequer Releases for quarter 4	1,770,004,434	4,478,035	-	78,839,670
Total	3,624,000,000	8,956,070	-	158,978,039

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ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2017/2018	Comments
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4. Development Expenditure					834,292,142	
5.						
6.						
Sub-Total						
Supply of goods						
7. Recurrent Expenditure					93,631,600	
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total					927,923,742	

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ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2016/2017	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2017/2018
Land	127,486,508	-	-	127,486,508
Buildings and structures	591,696,709	238,931,950	-	830,628,659
Transport equipment	114,976,960		-	114,976,960
Office equipment, furniture and fittings	170,293,091	5,856,964	-	176,150,055
ICT Equipment, Software and Other ICT Assets	18,448,591	1,934,176	-	20,382,767
Other Machinery and Equipment	275,920,700	3,618,442	-	279,539,142
Heritage and cultural assets	-		-	-
Intangible assets	100,000		-	100,000
Total	1,298,922,559	250,341,532	-	1,549,264,091

NB: Sh.20,422,824 and 452,390,136 for purchase of Certified Seeds and breeding stock and cost of rehabilitation of roads respectively included in acquisition of assets is not included in Fixed asset Register.

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ANNEX 6 – INTER-ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred KShs	Amount Confirmed as received KShs	difference	explanation
1	County Assembly								
2	Xxx fund								
3	Xxx project								
4	Xxx board								
5	Xxx corporation								
6	Xxx								
7	Xxx								
8	Xxx								
9	Total								

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

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ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Reports from IFMIS)